

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7029

BILL NUMBER: HB 1209

NOTE PREPARED: Jan 6, 2010

BILL AMENDED:

SUBJECT: Tax abatement approval in Marion County.

FIRST AUTHOR: Rep. Pryor

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that the determination of the metropolitan development commission in Marion County to provide a property tax abatement must be approved by the City-County council.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill may require the City-Council members of Marion County to hold additional meetings to consider property tax abatement issues (the City-County council conducts, on average, 18 council meetings per session). Council members earn an additional \$112 per council meeting (up to 21 meetings in a session) in addition to their base salary. City-County council per diem expenditures may also increase if additional council meetings occur as a result of this bill. Council members receive \$62 per diem for meetings attended, not to exceed 40 meetings per calendar year.

Explanation of Local Revenues: Under current law, the Metropolitan Development Commission (MDC) in Marion County determines whether an area in the county can be declared an economic revitalization area. In such an area, certain types of property as defined by law (e.g. rehabilitated property, new manufacturing equipment, equipment used for research and development) may qualify for property tax abatements. The abatement is equal to the property's AV multiplied by a percentage according to a schedule and is available for up to ten years.

This bill declares that after June 30, 2010 the City-county Council would have to approve the decision by the MDC to declare an area an economic revitalization area, and to grant property tax abatements. In 2009, the county granted a total of \$698 M in property tax abatements.

This bill is applicable only to Marion County. The fiscal impact would depend on whether the City-Council rescinds any of the decisions of the MDC thereby declaring fewer areas as economic revitalization areas, and/or granting fewer property tax abatements.

State Agencies Affected:

Local Agencies Affected: Indianapolis/Marion County City-County Council.

Information Sources: Indianapolis/Marion County Municipal Code, Sec. 192-102; Office of Clerk of Indianapolis/Marion County City-County Council, 317-327-4242; OFMA Property Tax Database.

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